



B.Com. (Semester - V) Examination, October 2015
Accounting Major - 3 (New Course)
AUDITING - I

Duration : 2 Hours

Total Marks : 80

Instructions : 1) **All questions are compulsory, however internal choice is available.**

2) **Answer sub-questions in question number 1 and 2 in not more than 100 words.**

3) **Answer question number 3 to question number 6 in not more than 400 words.**

4) **Figures to the right indicate full marks for respective question/sub-question.**

1. Write short notes on **any four** of the following : (4×4=16)
 - a) Benefits of auditing.
 - b) Audit independence.
 - c) Audit note book.
 - d) Objectives of internal check.
 - e) Vouching procedure for revenue expenditure.
 - f) Objectives of verification of assets.

2. Write short notes on **any four** of the following : (4×4=16)
 - a) Reliability of audit evidence.
 - b) Test checking.
 - c) Internal audit.
 - d) Objectives of vouching.
 - e) Verification procedure of trademarks.
 - f) Basic principles governing an audit (any four).

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3. Define auditing. Explain the objectives of auditing. 12
- OR
- Explain the classification of audit based on time. 12
4. What is audit planning ? Explain the steps in audit planning: 12
- OR
- What is audit evidence ? Explain the sources of evidence and the audit procedures for obtaining evidence. 12
5. Define internal check. Explain the principles to be considered in determining the internal check system. 12
- OR
- Explain the methods used by an auditor for evaluation of the internal control system. 12
6. What are the duties of an auditor regarding valuation and verification of stock-in trade of a manufacturing concern ? Support the answer with relevant case laws. 12
- OR
- Explain the procedure to be followed by an auditor while vouching the following items :
- a) Cash sales
 - b) Rent received
 - c) Sale on approval basis. 12